

AUSTRIA'S SITUATION

By DR. MAXIMILIAN SCHIFF

WHEN we speak of Austria to-day, we must bear in mind that German Austria, or the Republic of Austria, comprises only that portion of the German-Austrian Alpine region which has remained unaffected by the claims of Italy and Jugoslavia. The new Austria has not, and does not wish to have any political connection with the Empire of the Hapsburgs; but, contrary to reason and justice, this state of six million, two hundred and fifty thousand inhabitants has been declared, along with Hungary, joint heir of the old divided empire of fifty-two million souls, and has had forced upon it a legacy heavily burdened with political and financial debts.

In reality, the political heirs of Austria-Hungary are to be found elsewhere. The Czechoslovakian Republic has inherited the internal hatreds and quarrels which poisoned the political life of former Austria, and it reproduces with its mixed compositions of Czechs, Germans, Slovaks, Magyars, Ukrainians, and Poles, the heterogeneous condition which existed before the disintegration of the Empire. Hungary, under the régime of ex-Admiral Horthi, has fallen heir to the old creed of reactionism; the Poles have carried into their new state, as a legacy from their forefathers, the antagonism that existed between Austria-Hungary and Russia; and Jugoslavia perpetuates the traditional friction which characterized the relations between Italy and the Hapsburg Empire.

The Republic of Austria is free from militarism, and it does not enslave peoples of diverse nationalities awaiting an hour of deliverance. The expenses of the Austrian stand-

ing army, the maximum strength of which is fixed by the peace treaty as thirty thousand men, amount to only 3.1 per cent. of the total budget, which may be compared with the expenditure of 16.7 per cent. by Czechoslovakia, 28.2 per cent. by Jugoslavia, and 22.5 per cent. by Hungary. In respect to its composition, the population of the Austrian Republic is ninety-five per cent. German, which makes the state far more nearly homogeneous than any of the other political entities which have been formed from the material of the former Austro-Hungarian Empire. A comparison of the conditions created in these various states demonstrates the great injustice of the Peace Treaty in placing upon the Austrian Republic the responsibilities of the war. At the same time it reveals the quiet and peace-loving element which exists in Central Europe in the newly formed Austrian State. These facts are confirmed by all the developments in republican Austria since the division of the Monarchy. The bloodless course of the revolution in German Austria contrasts sharply with the terrible civil wars which raged in Budapest, Munich and Berlin, and evidences the peaceful disposition of the Austrian people, their high level of culture, and the circumspect and responsible character of their leaders. Although the Social Democrats controlled the situation after the collapse of the monarchy, they were not misled by the example of their comrades in Budapest; but they did their utmost, together with the other parties, to fortify, socially and politically, the democracy founded on the revolution. Extremists have never taken a leading part in the politics of the Austrian Republic, and despite the democratic election law, which grants suffrage to all men and women twenty-one years of age, there was not a single communist in the Austrian Parliament elected last October. Out of one hundred and seventy-five mandates, the Nationalist party has only twenty, while the Conservatives are represented by eighty-three, and the Social Democrats by sixty-six. Since the latest election, the Conservatives are, therefore, the strongest party in Parliament. Every possible at-

tempt has been made to centralize the most important governmental spheres by naming experts as ministers. The single aim of both the internal and external politics of the republic is to consolidate the achievements of the revolution, as represented by the existent democracy, thus laying a foundation for the particularly difficult task of reconstruction in Austria. That the population is eager to work is demonstrated by the fact that at the end of January, 1921, the unemployed amounted to only twenty thousand, of which twelve thousand were found in Vienna alone; while in May, 1919, the number of unemployed was one hundred and ninety thousand.

The state thus formed in the heart of the old Donau Empire, so vital a factor for the preservation of peace and order in Central Europe, is unfortunately an economic impossibility. Since the country is for the most part covered with mountains, it produces scarcely one-fourth of the population's requirements in cereals, and the problem of feeding Vienna, a city of two million, proves especially difficult. Despite the enforcement of most limited rations, Austria has to import annually five hundred thousand tons of cereals. With the exception of the steel industry, which could be successfully operated with domestic iron ore if the necessary coal were obtainable, there is fuel at present for the operation of only one in every ten furnaces, all other Austrian industries are dependent upon the importation of raw materials. The fuel situation is further complicated by the fact that Austria to-day possesses only one-half of one per cent. of the former Austrian coal mines, and that the mines which she does possess produce for the great part an inferior grade of brown coal.

The Austrian Republic is therefore obliged to import more than seventy-five per cent. of the cereals it consumes, and more than eighty per cent. of the coal which it requires, while the exportation of its industrial products, even to-day when there is an increased demand for them as a result of

the rate of exchange, enables it to pay for only a small percentage of its tremendous imports. Thus, the total imports in 1920 amounted to six million tons as compared with exports of one million three hundred thousand tons. Austria imported four million tons of coal at a time when twelve million tons were required to alleviate the shortage from which both population and industries were suffering. The foodstuffs imported—one hundred and eighty-two thousand tons of potatoes; two hundred and sixty-thousand tons of meat; and eleven thousand five hundred tons of condensed milk—were barely sufficient to keep the population from dying of starvation. Of the exports about sixty per cent. consisted of wood, ores, magnesite, and other minerals.

The figures of the 1920-1921 budget are significant. They reveal a total expenditure of seventy-one billion kronen (about one hundred million dollars) as opposed to a total revenue of twenty-nine billion kronen, or about forty million dollars. The deficit of forty-two billion kronen (sixty million dollars) is at present covered by notes in circulation. Of this deficit more than twenty billion kronen may be traced to the contributions made by the state in its effort to lower the price of flour, bread, meat and condensed milk, to a level within the reach of the masses. One of the chief causes of this economic and financial situation is, of course, the low and fluctuating value of the Austrian kronen in the international money market.

What attitude do the new national states assume toward this ill-fated creation of the peace treaty? After the dissolution of the old Kingdom, the national states, in which chauvinism and nationalism were rampant, deemed it advisable to close their frontiers toward Austria, and in particular toward Vienna, which remained for them the symbol of the old Austrian Empire. Political and economic wire fences were erected along the frontiers of German Austria which caused more terror and misery than did the blockade during the war. The methods employed by the new national states to educate to the new conditions their populations,

which still considered themselves socially and economically allied with German Austria and Vienna, consisted of severe export and import prohibitions, most annoying passport requirements, the interruptions of direct railway service, etc., etc.

Even to-day, two and a half years after the cessation of hostilities, passport exigencies make it more difficult to travel from Vienna to Brunn, in Czechoslovakia, which requires a journey of only two hours by train, than to go from Vienna to New York. From the very first, the Austrian Republic, in its negotiations with the national states, sought to put an end to this fatal blockade. Sooner or later, the neighboring states, and Czechoslovakia in particular, will once more learn to appreciate Vienna as a commercial center, and the Austrian railways as arteries of international transportation.

There are several political and economic agreements which are the first signs of the breakdown of the hitherto prevailing prohibition against trade with Austria. Doubtless one reason for this gain is that these prohibitions caused difficulties within the national states themselves. It is expected that further progress in this matter will be made at a common conference to be held in the near future in Portorose.

Among the neighboring states, Hungary assumes a peculiar attitude toward the Austrian Republic. Under the bolshevist régime, and under the existing militaristic system of the Imperial Vice-regent Horthi, Hungarian leaders have constantly attempted to direct the internal politics of Austria toward an adoption of the Hungarian system. Confronted by Hungarian political aims, which are directed toward the restoration of the monarchy, the government of Czechoslovakia, whose interests in Slovakia are endangered by Hungarian intrigue, has made an agreement with the Austrian government designed to avert the common dangers which might eventually arise from a pursuance of the present Hungarian policies. The same course has been followed

by the Little Entente, which is composed of Czechoslovakia, Yugoslavia, and Roumania, supported and encouraged by Italy. This attitude of the neighboring states toward Hungary has been completely justified by recent developments, among which should be mentioned the Easter trip of the ex-Kaiser to Hungary.

Another much discussed problem arising from Austro-Hungarian relations is connected with the territory of German West Hungary, which, according to the terms of the St. Germain treaty, was allocated to the Republic of Austria. The Hungarian government is trying to induce Austria to renounce wholly, or in part, this one concession which was granted her in the peace treaty. The methods of persuasion vary from promises of wheat delivery to politico-economic threats; but Austria, of course, will not cede.

At the time the peace terms were fixed the Allies clearly foresaw the difficulties with which Austria would have to contend as a result of the stringent clauses of the treaty. The note accompanying the treaty reads explicitly:

"The Allied and associated powers desire, however, in no way to aggravate the unfortunate position of Austria; on the contrary, they wish to do everything in their power to help the people of Austria, so that they may adapt themselves to the new situation and again attain prosperity."

Since the signing of the treaty, the Austrian Government has faithfully acted in accordance with the agreements therein contained, and has continuously endeavored to realize the promises conveyed by the note accompanying the treaty; in other words, to develop her self-reliance, which must be the essential force in the reconstruction of Austrian political economy. She has held to this course without considering that her fate is inextricably bound up with the fate of the entire German people. All that Austria has been able to accomplish to date is to obtain food credits for a few months, and to effect a small, but far from sufficient improvement in the coal situation.

Austria needs, above all, extensive co-operative credits which would enable the young state to adjust its economic condition to its needs. This was indeed, the chief item in the plan outlined by the President of the Reparations Commission for Vienna, Sir William Goode; but the attempt was frustrated when the Allied powers declared that they were unable to make a loan to the Austrian government. In London, the Austrian Chancellor, Dr. Mayr, also failed to obtain results in this connection; in fact, he could not even persuade the Allies to abandon their rights expressed in paragraph one hundred and ninety-seven, which reads essentially as follows:

"Subject to exceptions, which can be allowed by the reparations commission, the entire domain, and first of all the sources of revenue of Austria, will be responsible for the payment of reparations and all other expenses that may result from the peace treaty."

The only concession made by the Allies is the postponement of this general mortgage for a number of years not yet fixed. Should the plan recently discussed in London be put into effect, it would give Austria a private export credit by mortgaging duties, all revenues from the tobacco monopoly and eventually other state monopolies, which would have to be placed under the supervision of an Allied financial committee; but the only practical benefit obtained by the Austrian people would be the averting of the food crisis for another few months. To postpone the food crisis, however, is no remedy for the economic condition in Austria; in any event, it is surely not commensurate with the promises made by the Allied note: "To do all in their power to help the Austrian people so that they may adapt themselves to the new situation and again attain prosperity."

The fact that the Austrian government has learned in London that it cannot rely upon being granted credit, means that the Entente is unable to make this assurance a reality without the co-operation of the United States of America. Here, as in all questions connected with the execution of the peace treaty, it pains Austria to realize the complete ab-

sence of America's influence. Since the United States withdrew its representative from the Reparations Commission, the arbitrator who acted in the cause of justice and for the protection of the weak has been absent.

The realization of the economic disaster which has been caused in Central Europe by the division of the old and united territory of Austria-Hungary, has caused French opinion to favor the union of these new states into a closely related economic confederation—the so-called Donau Confederation. This idea has found immediate support from those who favor the restoration of the monarchy, and who see in an economic community the possible germ of a political confederation which would form a basis for a new monarchy. These political designs will meet with strong opposition from the National States, all of which, with the exception of Hungary, are opposed to a return to the old order. For Czechoslovakia, in particular, quite aside from political considerations, the Donau Confederation is economically impossible, since the Czechs are expending every effort to protect their industries from Austrian competition. Italy also would see her safety menaced by a resurrection of the old Donau Empire, even in the form of an economic community, and there is, therefore, little chance that this plan will ever be carried out.

For the reasons set forth it may easily be seen that Austria cannot exist alone without adequate assistance, and, as this help cannot be given, nothing remains but to allow Austria to escape from her unfortunate position, by sacrificing the economic autonomy imposed by "inalienable independence," and by joining herself to the great economic territory of the German Republic. It is certainly a misrepresentation of facts to characterize a union of this kind as a pan-German movement of expansion, and it is highly unfair to consider this question from a nationalistic point of view. The essential fact is that Austria isolated is economically impotent. Of course, there are, also, national impulses

toward this union, springing from the community of intellectual life, history, and race, which is a factor in the life of every nation. The American people, by their announcement of the principle of self-determination, have recognized this factor as one of the essential elements for the formation of a state; and what was granted to Italy, Poland, Jugoslavia, and Roumania as a national right, cannot for long be denied to the German people.

The dominating motive in the life of a nation, as in an individual, is the instinct of self preservation, and this and nothing else is the reason that Austria wishes to join Germany. The great masses of Austrians desire nothing but bread, work, peace and their place in the great community of civilized humanity. To-day, however, it is not to be expected that the Council of the League of Nations will agree on this matter as required by paragraph eighty-eight of the peace treaty. French politicians, who are guided only by the one desire of weakening Germany by every possible means, will never consent to the union. For this reason, the French politicians have condemned the Austrian Republic to independence, and there is little hope that an appeal to the League of Nations, of which Austria is a member, would have the desired results.

The Austrian people did a great wrong in the war: the men were more afraid of prison and the gallows than of the bullets of their enemies; the women were compelled to give their sons as cannon fodder; they must suffer, because they had more faith in the Hapsburg dictators than in their own convictions. The children, also, must suffer for the sins of their parents, as is evidenced by the three hundred thousand underfed children of Austria, who are at the mercy of rickets and consumption.

The United States of America must soon decide on its attitude toward the treaty. The just and noble-minded American people will certainly realize that by the acts of their representative, President Wilson, they are responsible

for the provisions of the treaty. The agreement of St. Germain is also signed by the representative of the American people; the help promised Austria, in the note accompanying the Treaty, was also promised in the name of the United States. On this promise Austria builds her greatest hopes. If the financial situation in general is such that the help so solemnly promised cannot be offered, the United States will certainly not deny the necessity of a revision of the peace treaty. This is the firm hope of Austria.

There is nobody in Austria who does not think with great gratitude of all that America has done for him: the salvation of our children is America's greatest achievement. All these charitable activities of the American people are most brilliant manifestations of the solidarity of human interest; but there is something still higher than giving for charity, and that is to create a condition whereby charities are no longer necessary.

SHADOWS

By BEN RAY REDMAN

I who have dreamed so many dreams
Of shadowed hills and lonely places,
Of fragrant nights when mellow beams
Fitfully light the soft cloud faces;
I who have dreamed of splashing streams,
Where tree with thicket interlaces,
Of lakes where trembling water seems
Full glad to meet the wind's embraces;
I who dwell where the city teems,
Must I always live in a land of dreams?